97-84234-8

Mass. General Court.

House of Representatives.

Report of the Committee
to Consider the Laws...

[Boston?]

[1906]

97-84234-8

MASTER NEGATIVE #

COLUMBIA UNIVERSITY LIBRARIES
PRESERVATION DIVISION

BIBLIOGRAPHIC MICROFORM TARGET

ORIGINAL MATERIAL AS FILMED - EXISTING BIBLIOGRAPHIC RECORD

OCLC: 37677989 Rec stat: n
 Entered: 19970924 Replaced: 19970924 Used: 19970924
 - Type: a ELvl: K Srce: d Audn: Ctrl: Lang: eng
 BLvl: m Form: a Conf: 0 Biog: MRec: Ctry: mau
 Cont: GPub: s Fict: 0 Indx: 0
 Desc: a Ills: Fest: 0 DtSt: s Dates: 1906, +
 - 1 040 PR1 v c PR1 +
 - 2 007 h v b d v d a v e f v f a--- v g b v h a v i c v j p +
 - 3 007 h v b d v d a v e f v f a--- v g b v h a v i a v j p +
 - 4 007 h v b d v d a v e f v f a--- v g b v h a v i b v j p +
 - 5 049 PR1A +
 - 6 110 1 Massachusetts. v b General Court. v b House of Representatives. v b
 Committee to Consider the Laws Relative to the Taxation of Forest Lands. +
 - 7 245 10 Report of the Committee to Consider the Laws Relative to the
 Taxation of Forest Lands v h [microform]. +
 - 8 260 [Boston? : v b Commonwealth of Massachusetts, v c 1906] +
 - 9 300 24 p. ; v c 23 cm. +
 - 10 500 Caption title. +
 - 11 500 "House No. 134." +
 - 12 533 Microfilm. v b New York, N.Y. : v c Columbia University Libraries,
 v d to be filmed in 1997. v e 1 microfilm reel ; 35 mm. +
 - 13 583 Filmed; v f NEH Project (FMEST); v c 1997 +

RESTRICTIONS ON USE: Reproductions may not be made without permission from Columbia University Libraries.

TECHNICAL MICROFORM DATA

FILM SIZE: 35mm

REDUCTION RATIO: 11:1

IMAGE PLACEMENT: IA IB IIB

DATE FILMED: 11-6-97

INITIALS: AP

TRACKING #: 28267

FILMED BY PRESERVATION RESOURCES, BETHLEHEM, PA.

308

Z

Box 837

HOUSE No. 134.

Commonwealth of Massachusetts.

REPORT

OF THE

COMMITTEE TO CONSIDER THE LAWS RELATIVE TO THE TAXATION OF FOREST LANDS.

To the General Court.

This committee was provided for in a resolve of the General Court, approved April 28, 1905 :—

Resolved, That the tax commissioner and one of the harbor and land commissioners and the state forester, together with such other persons as the governor with the advice and consent of the council, may appoint, shall constitute a committee, serving without compensation, to examine and consider the laws of the Commonwealth and of other states and countries, relative to the taxation of forest lands. The committee shall report to the general court on or before the second Wednesday of January in the year nineteen hundred and six the result of their investigation, with any suggestions as to legislation which they may consider desirable for promoting the cultivation and improvement of forest lands within the Commonwealth. There shall be allowed to the committee for their expenses such sums as may be approved by the governor, not exceeding in the aggregate the sum of five hundred dollars.

We have examined the laws of other countries, other States, and of this State, and beg to submit our report

thereon, together with certain recommendations for amendments to the laws of this Commonwealth.

PART I.—LAWS OF FOREIGN COUNTRIES.

We have examined the laws of England, Germany, the Swiss Cantons, Austria, Russia, Japan and Australia, relative to the taxation of forest lands. With the exception of Australia, the methods of assessment are in advance of our own, because they recognize the fundamental principle that taxes should not lead to devastation or slovenly forestry.

An outline of some of these laws is given below, in order to illustrate the different methods that have been employed. In attempting to apply these methods to our conditions it must be borne in mind that the foreign laws are a part of a general system of taxation which in most cases differs from our own. In the recommendations which appear in the third part of this report we have selected and elaborated a method which, while embodying the essential principle of the foreign laws, is in harmony with our general system of taxation.

GERMANY.

The forests are not taxed uniformly throughout the States of the German Empire.

There are three main taxes in vogue: (1) ground tax; (2) income tax; and (3) property tax.

One or two of these taxes are invariably levied upon the forests.

Ground tax is a tax upon the average productive capacity of a given soil, or the average yield. The soils, for that purpose, are estimated from time to time, and their average yield fixed for a time by the authority of the government.

Income tax is a tax upon the income irrespective of the source from which it is being derived.

Property tax (in German sense) is a tax upon any prop-

erty in possession of an individual, corporation, etc., except land.

I. *Ground tax* alone exists only in Bavaria, Wurttemberg, Alsace-Lorraine, Mecklenburg.

II. *Income and property taxes* exist in Prussia.

III. *Income and ground taxes* exist in Saxony, Baden, Hessen, Saxe-Weimar, Oldenburg, Braunschweig, Saxe-Meiningen, Saxe-Altenberg, Saxe-Coburg-Gotha, Anhalt, Schwarzburg-Sondershausen, Schwarzburg-Rudolstadt, Waldeck, Reuss, Lippe.

I. In *Bavaria* the tax is levied upon the gross yield of the forest, determined on the basis of land estimates made between 1808 and 1853. These estimates are antiquated.

In *Wurttemberg* the net yield of the forest is taxed. The land estimates were completed in 1887.

In *Alsace-Lorraine* the net yield of the forest is taxed.

II. In *Prussia* the ground tax introduced in 1861 (May 21) has been abolished by the law of July 14, 1893, as far as taxes from forest land payable into the State treasury are concerned. Ground tax, however, still remains optional with the counties, which are authorized by the law of 1893 to levy the taxes as they think best, either in the form of a ground tax upon the average net yield of the forest, or in the form of an income tax on the net revenue of the individuals.

The forests of Prussia are taxed for State needs according to the general *income* tax law of June 24, 1891. Besides the income tax there is still another so-called auxiliary or government property tax for forests of certain value, levied upon the forests of living persons (communities and corporations thus being excluded), according to their market value.

III. In *Saxony* there is (1) a ground tax levied upon the forest soil, according to its average net yield, estimated and fixed once for all by government authority at the time of a special investigation made about fifty years

ago; and (2) an income tax upon the *net revenue* obtainable from private forests, such revenue being estimated periodically.

In a similar way are taxed the forests of Baden, Hessen, Braunschweig, Saxe-Weimar, Oldenberg, Schwarzburg-Sondershausen, Anhalt, etc.

In case of accidents, like fire, insect depredation, etc., reductions are made from the estimated yield. Thus, in Prussia the reduction may vary from 20 to 50 per cent., according to the species and kind of forest (seedling or sprout growth). In Saxony a reduction of 16 per cent. is allowed in a coniferous forest; 12 per cent. in a deciduous, seedling forest; 8 per cent. in a coppice forest. In Wurttemberg, 25 per cent. in a coniferous forest; 20 per cent. in seedling, broadleaf forest; and nothing in coppice forest.

In Bavaria, Baden and Hessen such reductions are not provided by law.

In Baden newly established plantations are exempt from taxation for twenty years (law of 1886).

In Prussia, Bavaria, Wurttemberg, Hessen, etc., no such exemption from or reduction of taxes on new plantations exists.

AUSTRIA.

In Austria the forests are subjected to a ground tax (law of May 24, 1869, and June 7, 1881), the land being estimated periodically, every fifteen years,—last time in 1895; and, since Oct. 25, 1896, also an income tax.

An exemption of new plantations is allowed for twenty-five years (law of 1869).

RUSSIA.

In Russia the forests are taxed for State and county needs. The State forests are exempt from State taxation, but must pay the same county taxes that private forests do.

The main principle of taxation is to tax the forest land according to its value, or the revenue derived from it; in other words, the tax is supposed to be a ground tax.

The form in which this ground tax is levied varies considerably throughout the country, but the three most common forms are as follows:—

I. The tax is levied upon the forest according to the average annual revenue *expected* from it:—

a. Gross revenue.

b. Net revenue.

The procedure for determining the average revenue is to divide the forests into quality classes; forests that will yield timber for construction or cordwood, or both; coniferous or deciduous forests, etc. The market price of the forest product obtainable from one acre is then divided by the number of years that it takes the trees to attain merchantable sizes, the result being the average annual gross revenue that can be expected from the forest. The average *net* revenue is found by deducting the average annual expenditure per acre from the gross average revenue.

The value of the forest land is found by capitalizing the net or gross revenue at a given rate of interest.

Thus, if the forest products from a forty-five year old stand on one acre are worth say \$100, the average gross revenue is equal to $\frac{100}{45} = \$2.22$. Assuming that the average annual expenses in protection and administration of the forest are 20 cents per acre per year, the net revenue per year is \$2.02. The value of the land then will be, at a rate of interest of 5 per cent., either $\frac{2.02}{.05} = \$40.40$, when the gross revenue is capitalized, or $\frac{2.02}{.05} = \$40.40$, when the net revenue is capitalized.

II. The tax is levied upon the forest on the basis of its *actual* annual revenue.

The actual revenue is determined in many ways. Often the actual annual revenue obtained in the State forests within the given locality is taken as a standard

and applied to the other forests in that locality, or it is determined by the amount of timber cut down every year. In some cases the forest land is taxed only at the time when the timber is cut, remaining entirely untaxed while the timber is maturing. The tax is levied, after making an allowance of 10 per cent. for the cost of management, upon the actual revenue, its rates being dependent upon the age at which the forest is cut. Thus, if the forest is ten to fifteen years old, the tax amounts to 6 per cent. of the actual revenue; at fifteen years it is $5\frac{1}{2}$ per cent.; twenty to twenty-five years, 5 per cent.; twenty-five to thirty years, $4\frac{1}{2}$ per cent.; thirty to sixty years, 4 per cent.; sixty to ninety years, $3\frac{1}{2}$ per cent.; ninety to one hundred and twenty years, 3 per cent.; one hundred and twenty years and above, $2\frac{1}{2}$ per cent.

SWITZERLAND.

Canton Aargau. — The forests are assessed with reference to stand of wood, productiveness of soil, situation with regard to market, and local price of wood. Revisions in assessments are made every six years.

Canton Appenzell. — In part of territory forest lands are valued at one-half the selling price; in another part, two-thirds of the official valuation are subject to taxation.

Baselland. — Forest lands are taxed with the productive value in view. The productive value is determined by the government forest expert.

Baselstadt. — Arbitrary valuation without regard to yield, or even sale value. In some cases the land is uniformly taxed 4 francs per unit of area, without regard to locality or stand.

Borne. — Forests are valued according to their average power of production, based on a rational management.

Freiburg. — Forests of communes and of private persons are appraised at so much per square meter, and classed in their divisions by a commission. System rather arbitrary.

Cantonal forests are assessed according to average yield of last ten years.

Grisons. — Assessment based on yield that may be obtained without reduction of stand.

Lucerne. — Purchase value, location, yield and current prices of wood products are taken into consideration in assessing forest land.

Neuchatel. — Valuation takes into account soil, stand and productiveness under rational management.

Nidwalden. — Assessment according to selling value.

St. Gall. — Forests are taxed at one-half selling value. If worked under a plan approved by the State, the assessment is according to their average yield.

Schaffhausen. — Private forests are assessed according to yield, which is determined by comparison with yield of State forests under working plans. The probable net annual yield is capitalized.

Soleure. — Private woodlands valued by capitalizing net annual yield at 5 per cent., and to this is added 4 per cent. of value of soil.

Thurgau. — Woodlands which are under working plans, providing for continuous production, are assessed by capitalizing the net annual yield.

Uri. — Valuation based on mean between selling value and productive power.

Valais. — There is a nominal tax on the soil, to which is added a tax on yield.

Vaud. — Forest land is taxed without regard to crop, also any forest products which may be sold; but such products as are consumed on the place are exempt.

Zurich. — The net income forms the basis of taxation of forest lands.

PART II.—LAWS OF OTHER STATES.

As instructed in the resolve, we have carefully examined the laws of other States. We find that Colorado, Connecticut, Illinois, Indiana, Kansas, Maine, Massa-

chusetts, Minnesota, Nebraska, New Hampshire, Pennsylvania, Rhode Island, Vermont and Wyoming have made special laws in regard to the taxation of forest lands, and, with the exception of Indiana, these laws are nominally in force. They have not, however, been productive of the best results,—not because the problem involved is not capable of solution, but because the laws have in most cases been framed without sufficient investigation. They fall naturally into four groups: 1st, bounties; 2d, rebates; 3d, exemption for a period of years; and 4th, exemption of a certain proportion of the area held by an owner. Some States have both bounties and exemption for a term of years.

(1) BOUNTIES.

Illinois, Kansas, Massachusetts and Wyoming offer bounties to forest planters. A bounty in money is offered in order to encourage private owners to plant their non-agricultural lands to forest trees. In some cases the bounty takes the form of a competitive prize for the best plantation in certain districts; in other cases the bounty is paid for each acre of satisfactory plantation.

We made inquiries to ascertain the extent to which this method has proved of value in forest production. Except in the case of Minnesota, so far as the reports are obtainable, they indicate very small results.

In Minnesota \$440,000 have been spent in bounties, the amount appropriated being \$20,000 a year. The law has been in operation since 1877. The bounty is at the rate of \$2.50 an acre. It is claimed by those who are in a position to know that some 50,000 acres of standing timber can be traced directly to the operation of this law. It will be seen at a glance that, although the law has accomplished results, it has done so at an enormous cost.

The Massachusetts bounty laws are treated in detail in Part III. of this report.

The Illinois law is given below as a type of bounty law:—

ILLINOIS REVISED STATUTES, CHAPTER CXXXVI.

SECTION 1. It shall be lawful for the board of supervisors or county commissioners' court (board of county commissioners) in any county in this state to offer a bounty to any person in said county who shall hereafter plant one or more acres of land with forest trees and properly cultivate the same for three years, for each acre so planted and cultivated: *provided*, that trees so planted shall not be at a greater distance than ten feet apart each way. Bounty for tree planting.
Three years' cultivation required.
Density.

SECTION 2. Any person claiming the bounty under this act shall make proof before the county clerk that he has complied with section one of this act, and that the trees planted by him are in a healthy and growing condition. Proof necessary.

SECTION 3. Upon proof of compliance with this act the county clerk shall issue his certificate to the person entitled to the same, setting forth that the provisions of this act have been complied with, and the number of acres so planted. Certificate.

SECTION 4. The board of supervisors of county commissioners' court (board of county commissioners), desiring to offer the bounty herein provided for, shall do so by resolution, to be made of record and giving notice in some newspaper published in the county three weeks prior to the first day of April in each year; said resolution and notice to state the amount of bounty offered for each acre planted and cultivated. Notice of offer of bounty.

(2) REBATES.

Pennsylvania is the only State which has tried the method of assessing woodlands at their sale value, but offering, under certain restrictions, a rebate upon the taxes paid. Laws of this kind have been in force since 1887, but owing to defects in their phraseology they have not been productive of great results. In order to make them more effective, they were redrafted and re-enacted in the spring of 1905. A sufficient period of time has not yet elapsed to determine the value of the revised laws in promoting forest culture. The laws as re-enacted in 1905 are as follows:—

ACT No. 88. TO ENCOURAGE THE PRESERVATION OF FORESTS,
BY PROVIDING FOR A REBATE OF TAXES LEVIED UPON FOR-
ESTED LAND.

Forest pres-
ervation.

SECTION 1. *Be it enacted, etc.* That in consideration of the public benefit to be derived from the retention of forest or timber trees, the owner or owners of land in this Commonwealth, having on it forest or timber trees averaging not fewer than fifty trees to the acre, each of the said trees to measure at least eight inches in diameter, at a height six feet above the surface of the ground, with no portion of the said land absolutely cleared of the said trees, shall, upon filing with the assessor of their respective townships or districts, annually, an affidavit made by said owner or owners or by some one in his, her, or their behalf, upon blanks to be provided by the county commissioners of the respective counties, and by them to be furnished to the assessors for the purposes herein intended, setting forth the number of acres of timber land within the requirements of this act, be entitled to receive annually, during the period that the said trees are maintained in good condition upon the said land, a rebate equal to eighty per centum of all taxes, local and county, annually assessed and paid upon said lands, or so much of the eighty per centum as shall not exceed in all the sum of forty-five cents per acre; the said rebate to be deducted from said taxes pro rata, and receipted for by the respective tax collectors or county treasurer: *provided, however,* that no one property owner shall be entitled to receive said rebate on more than fifty acres.

Affidavit of
owner.

Rebate.

Proviso.

Duties of
assessors.

SECTION 2. It shall be the duty of the assessor, when such affidavit is filed with him, to record upon his assessment book the amount of timber land upon which the owner or owners may be entitled to receive the rebate, together with the value at which such timber land shall be assessed, for the purpose of furnishing the necessary information to those who shall prepare the respective tax duplicates, and upon which duplicates the amount of the said rebate shall be stated. No additional compensation shall be allowed any assessor for performing the duties required by this act. It shall likewise be the duty of each assessor, after receiving such affidavit, to file the same, at the time of making his return, with the county commissioners of the respective counties.

Compensation
of.

SECTION 3. The following acts of Assembly, to wit: "An Act of May 25, 1887, and Act of April 11, 1901, cited for repeal." act for the preservation of forests, and partially relieving forest lands from taxation," approved May twenty-fifth, one thousand eight hundred and ninety-seven (Pamphlet Laws, 88). "An act to encourage the preservation of forests, by providing for a rebate of certain taxes levied thereon," approved April eleventh, one thousand nine hundred and one (Pamphlet Laws, 77), and all other acts or parts of acts inconsistent with the subject matter covered by this act, be and the same are hereby repealed.

Repeal.

Approved the eighth day of April, A.D. 1905.

ACT No. 179. TO ENCOURAGE THE PLANTING AND THE MAIN-
TAINING OF SPROUT FOREST AND TIMBER TREES, AND PRO-
VIDING THAT THOSE WHO THUS AID SHALL BE EXEMPT FROM
TAXATION; DEFINING THE DUTIES OF THE TOWNSHIP AS-
SESSOR OF TAXES AND PENALTIES FOR VIOLATION OF THIS
ACT.

SECTION 1. *Be it enacted, etc.* That in consideration of the public benefit to be derived from the planting and cultivation of forest or timber trees, the owner or owners of any land or lands in this Commonwealth who shall plant the same with forest or timber trees, in number not less than three hundred to the acre, shall have a rebate in his or her or its taxes, to the amount of eighty per centum thereof, thereon, for a period of thirty-five years: *provided,* That such rebate shall not amount to more than forty-five cents per acre, said period of exemption to be counted from the time the said land or lands shall have been planted with forest or timber trees, as aforesaid, or from the time it may have been necessary to replant the same, as aforesaid, by reason of destruction from fire; and the rebate herein provided for shall be calculated and allowed by the tax collector.

Forest and
timber trees.

Rebate of
taxes.

Proviso.

Limit of
rebate.

SECTION 2. The owner or owners of any land or lands in this Commonwealth who shall maintain upon said land or lands sprout forest or timber trees, in number not less than three hundred to an acre, shall be entitled to and receive the rebate of taxes as provided in section one; said period of exemption to be counted from the time the said land or lands shall have been so maintained with sprout forest or timber trees, or from the time that said sprout forest or timber trees may have been destroyed by fire.

Sprout forest
or timber trees.

SECTION 3. Upon any tract or tracts selected as a forest reservation, in accordance with sections one and two of this act, which contain fifty or less original forest trees on each acre, the owner or owners may plant a sufficient number of trees which shall make up not less than the required three hundred trees to the acre, and the same shall become subject to this act, in accordance with sections one and two.

SECTION 4. No land owner or owners shall receive the benefit of this act who shall permit cattle, horses, sheep, hogs or goats to pasture upon such reservation or reservations, until at least two hundred trees upon each acre of said tract are four or more inches in diameter two feet from the surface of the land.

SECTION 5. It shall be the duty of the township assessor of taxes to personally examine the various forest reservations, and, if found necessary, to demand of the owner or owners, or their agent thereof, to subscribe under oath that the land is maintained under the conditions of this act; and to return to the county commissioners the number of acres so maintained and the time from which the land has been so maintained; and also to make a duplicate return of the same data to the state forestry commission.

SECTION 6. Any assessor who shall knowingly and wilfully accept and make a fraudulent return, or any owner or agent who shall knowingly and wilfully make any fraudulent return to the assessor, shall be liable to a fine of not more than five hundred dollars, or imprisonment of not more than one year, or either or both, at the discretion of the court: *provided, however*, that the provisions of this act shall not be construed so as to exempt from taxation more than five hundred acres, owned by any one person or body corporate, or limited copartnership or association.

All acts inconsistent with this act are hereby repealed.

Approved the twentieth day of April, A.D. 1905.

(3) EXEMPTION FOR A PERIOD OF YEARS.

Colorado, Connecticut, Maine, Massachusetts, Nebraska, New Hampshire, Rhode Island and Vermont have laws which exempt young forest plantations for a period of years. Answers to our inquiries into the results of these laws were received from Connecticut,

Duties of
to township
assessors.

Fraudulent
returns.

Fine and
penalty.

Proviso.

Maine, New Hampshire and Vermont. The Vermont law has been in force only since the spring of 1905, and of course has not had time to show any results. Although the law has been on the statute books in the other States for many years, — in one of them since 1878, — almost no results are reported. This is accounted for by the fact that in every case the law is at fault in its phraseology. A law which is restricted in its operation to plantations — that is, to artificial reproduction, — must necessarily fall short of securing satisfactory results. Such laws, to give good results, must be drawn so as to include young stands produced by natural seeding and sprouting. Moreover, in several instances the specified number of plants per acre is unnecessarily large, and the number of species of tree which may be planted is unnecessarily small, not including some of the best native species. And, finally, the exemption in several instances is restricted to land which has been previously cultivated in field crops. This excludes any possibility of continuity of forest crops from the same parcel of land.

As a type of this kind of law, that of Rhode Island is given: —

GENERAL LAWS, CHAPTER XLIV.

SECTION 3. Whenever there shall have been planted one or more acres of land, worth not more than twenty-five dollars per acre, in the state, not at the time of planting sprout or woodland, to timber trees of any of the following kinds: Chestnut, hickory, white ash, oak, maple, European larch, pine or alanthus, in numbers not less than two thousand to the acre, the owner of such plantation of trees may, after they shall have grown to an average of four feet in height, appear before the board of assessors of taxes in any town in which such plantation may be located, and prove the facts above-mentioned and specified in reference to such plantation; and upon such proof, such plantation of trees, and the ground in which they are growing, shall be exempted from all taxation whatsoever for a period of fifteen years next thereafter.

Tree planta-
tions not taxed.

(4) EXEMPTION OF A CERTAIN PROPORTION OF THE AREA HELD BY AN OWNER.

Indiana has tried the above method. The law was lax in its provisions against fraudulent exemptions, but with slight amendments would undoubtedly have produced excellent results. After it had been in force a few years a test of its constitutionality was made, which resulted in its practical annulment. Although unconstitutional in Indiana, it does not follow that it cannot be applied in our own or other States. It is given below:—

Indiana.

BURNS ANNOTATED STATUTES, VOL. III., REVISION OF 1901 (LAWS OF 1899, PAGE 570).

Private forest reservations.

SECTION 6628a. Upon any tract of land in the state of Indiana, there may be selected by the owner or owners, as a permanent forest reservation, a portion, not to exceed one-eighth of the total area of said tract, which shall be appraised for taxation at one dollar per acre.

Assessed valuation, \$1 per acre. Original forest exempt at once.

SECTION 6628b. If such selection is an original forest, containing not less than one hundred and seventy trees in each acre, it shall become subject to this act upon filing with the auditor of the county in which it is situated a description of such selection as is hereinafter provided.

Plantations exempt after three years.

SECTION 6628c. If any land owner shall plant not less than one hundred and seventy trees on each acre of selected forest reservation, and shall cultivate and maintain the same for three years, then it shall become subject to this act, as herein provided.

Replanting to secure exemption.

SECTION 6628d. Upon any tract selected as a forest reservation which contains one hundred or more original forest trees on each acre, the owner may plant a sufficient number of forest trees which shall make up the required one hundred and seventy forest trees per acre, when the same shall become subject to this act, as in section three.

Cattle must be kept out.

SECTION 6628e. No land owner shall receive the benefit of this act who shall permit cattle, horses, sheep, hogs or goats to pasture upon such reservation until said trees are four inches in diameter.

SECTION 6628f. Whenever any tree or trees shall be removed or die, the owner, in order to avail himself of this act, shall plant other trees in place of such trees as may be removed or die, and protect said trees until they are four inches in diameter, shall plant others which shall at all times maintain the full number required by this act.

Removal and replacement of trees.

SECTION 6628g. Not more than one-fifth of the full number of trees in any forest reservation shall be removed in any one year, excepting that such trees as may die naturally may be removed, when other trees shall be planted.

Number of trees to be cut per year.

SECTION 6628h. Ash, maple, pine, oak, hickory, basswood, elm, black locust, honey locust, Kentucky coffeetree, chestnut, walnut, butternut, larch, tulip tree, mulberry, Osage orange, sassafras, and catalpa, shall be considered forest trees within the meaning of this act.

Forest tree defined.

SECTION 6628i. It shall be the duty of the auditor in every county to keep a record of all forest reservations as the same shall be filed with him, and he shall require the owner or agent to subscribe under oath the extent and description of the land reserved, and that the number of trees is as required by this act, and that he will maintain the same according to the intent of this enactment.

Record of forest reservations to be kept.

SECTION 6628j. It shall be the duty of the assessor to personally examine the various forest reservations when the real estate is appraised, and to note upon his return the condition of the trees, in order that the intent of this act may be complied with. And if the reservation is properly planted and continuously cared for, he shall appraise the same at one dollar per acre.

Examination and assessment.

PART III. — MASSACHUSETTS.

The Commonwealth of Massachusetts has tried two methods of tax relief,—bounties, and exemption of plantations for a period of years.

The first attempt to promote forest culture dates back to 1818, and was evidently intended to provide against a famine in ship timber. It is given in Revised Laws, chapter 124, as follows:—

SECTION 10. Every such society shall annually offer such premiums and encouragement for the raising and preservation

Premiums for raising oaks and other forest trees.

of oaks and other forest trees as it considers proper and adapted to perpetuate within the commonwealth an adequate supply of ship and other timber.

The records show that in all \$36,336.75 have been offered and \$3,375.20 awarded. Of the funds offered, \$12,000 were supplied by the Massachusetts Society for promoting Agriculture; and of those awarded, \$2,000 were paid by this society; making in all \$1,375.20 awarded by the Commonwealth. No record of the acreage planted has been made; and the probability is that most of the contests were in ornamental rather than economic planting.

We believe that this law is inadequate to solve the problem of economic forest propagation within the Commonwealth. For, granting that it has secured the planting of considerable areas, which it has not done, these forests would under the present system of taxation be subject to an annual and increasing assessment, which tends towards early and wasteful cutting.

The next law intending to promote timber culture was passed in 1878. It provides for exemption of artificial plantations for a period of years. This law is as follows:—

REVISED LAWS, CHAPTER 12.

Plantations of
timber trees.

SECTION 6. All plantations of chestnut, hickory, white ash, white oak, sugar maple, European larch and pine timber trees, in number not less than two thousand trees to the acre, upon land, not at the time of said planting woodland or sprout-land and not having been such within five years previously, the actual value of which at the time of planting does not exceed fifteen dollars per acre, shall, with such land, be exempt from taxation for a period of ten years after said trees have grown in height from four feet on the average subsequently to such planting, upon satisfactory proof by the owners to the assessors of these facts; but such exemption shall not extend beyond the time during which said land is devoted exclusively to the growth of said trees.

This law is deficient in many ways. The number of trees required is too large. By limiting the relief to the few species named, an owner is not left a free choice in selecting species best suited to his soil and the local market. By limiting its application to lands that have once been cultivated for pasture, the law does not tend towards a systematic treatment of existing woodlands,—an end of far more value to the Commonwealth than the increase of the actual area covered by woods, the area in woodlands already amounting to half its total area. Moreover, the operation of such a law in a State like Massachusetts, which, with the exception of portions of the Cape, is potential forest land, where the conditions of natural reproduction are generally good, would be to put a premium on artificial reproduction, which as a rule is more expensive than the natural methods. In other words, the tendency of the law is to interfere in reproduction, which is purely a matter of silva-culture, and should be secured by the method which the conditions on a particular tract in a particular locality would make advisable.

The law has been a failure, as practically no planting has been done under it.

The last law is found in chapter 409 of the Acts of 1904:—

SECTION 3. The state forester may establish and maintain a nursery for the propagation of forest tree seedlings on such lands as the trustees of the Massachusetts Agricultural College may set aside for that purpose on the college grounds at Amherst. . . . He may distribute seeds and seedlings to land-owners, citizens of the Commonwealth, under such conditions and restrictions as he may, subject to the approval of the governor and council, deem advisable.

The State Forester has established the nursery under the authority given in the law cited above, and will distribute material from it on the following conditions, which have been approved by the Governor and Council:—

1. Not more than 2,000 nor less than 1,000 will be furnished to any applicant in one year, except to dispose of an odd lot.

2. The price shall be as nearly as can be determined the cost involved in the production of the seedlings.

3. Applicants must operate under a planting plan, a copy of which has been placed on file with the State Forester, and which has received his approval.

This provision is in effect a bounty, since the plants are furnished at cost prices. As far it goes, and with the safeguards that have been placed about it, it will be productive of good results; but, as pointed out in connection with the plantation law, it does not give relief toward the later growing stages of a forest crop, and therefore it is not a solution of the taxation problem.

WHY THE METHOD OF TAXING FOREST LANDS SHOULD BE MODIFIED.

There are 2,688,000 acres of woodlands in the Commonwealth. They are producing per annum only \$3,454,000 worth of merchantable material, delivered. If we add to the area now classified as waste land the area in woodlands, and make liberal deduction for errors in classification, and also make a liberal deduction for lands unfit for forest growth, there would be at least 3,000,000 acres that are available for forest purposes. If this entire area were under proper forest cultivation and management, presumably it would produce several times as much wood and timber as it produces at present.

The tendency of the present law tax is towards early cutting, and neglect of cultivation. A reform, therefore, that would lead to a more conservative method of cutting, and careful cultivation, is of great importance not only to land owners but to all of our industries that consume wood.

The present method of taxing woodlands is an important factor in keeping their output at a low figure. We have had convincing evidence of this fact.

The most objectionable feature of our system is that it provides for taxing the value of the growing crop, as well as the land upon which it grows. In the case of an ordinary agricultural crop, the value of the crop is not taxed. The soil is assessed at a fair, average figure; but the growing wheat, grass, turnips, potatoes, or other crop which may be on it, is not reckoned in the valuation, except in so far as it may indicate the fertility of the land. But in the case of wood or timber crop the land is taxed, and, in addition, the growing crop is taxed, not only once or twice, but year after year, at an increasing valuation until it is cut, when the valuation is reduced to that of the land without the crop. The consequence is that the owner is led to cut his crop before it has reached its productive maturity; that is, its greatest value to himself and to the State. While the tax on the crop may not seem large in any one year on a given parcel of woodland, it acts as a strong influence through a long series of years, and this influence is hostile to the forest and its proper management. The more capable and faithful the assessors are, under the present law, the more effective the law becomes in causing premature harvesting of the forest crop. Such a tax hinders the increase of wealth by cutting it off at its source. And, aside from the economic question involved, it discriminates against forest crops as compared with field crops, giving a decided advantage to field crops. In this respect it is not fair.

Another objectionable feature of the present system is that it taxes the property at a time when it is not bringing in any income. When a crop may be from a quarter to a half century in maturing, it is a hardship on the men to make payment during the intervening years. This accentuates the tendency towards cutting immature timber.

If the desirability of property as an income-bearing, private investment be taken as an indication of the proportion of the tax burden which it ought to bear, woodlands ought not to be taxed proportionately more than

ordinary agricultural lands. Although a sharp buyer may trade in woodlands that have mature timber on them, and make on the investment, yet to buy land and to grow the crop is not a good investment, except perhaps for surplus funds, for three main reasons: first, because of the long period of time which must elapse before the crop matures; second, because the property is not readily salable at full value during that period; and third, because the crop is exposed to injury from fire, storm, fungous and insect ravages.

And, if the amount of protection which the property receives from the State and community be taken as an indication of the proportionate amount of the tax burden which it ought to bear, woodlands ought to bear less than many other forms, instead of more, as they now do. We can find no record of an insurance company which has taken a risk on standing timber in the Commonwealth. We have found only one company which quotes a rate, and that rate is \$6.25 on \$100, — a rate which exceeds the average of growing timber, and which is, therefore, prohibitive. From the point of view of protection, woodlands now bear far more than a fair proportion of taxes.

RECOMMENDATIONS.

In view of the facts above recited, we recommend:—

1. That the laws relative to the taxation of woodlands in this Commonwealth be amended in such a way as to relieve the crop from taxation, except a fair rate of taxation on the average annual cut; that the value of the land without the crop be assessed as cut-over land; and that the value of the average annual cut in cords or board measure, which the forest might advantageously bear, be assessed and added to the value of the land, — the sum to be the total assessment.

2. That the law be restricted in its application to woodlands which the owner agrees to manage under a forest working plan, which (1) fixes the average annual cut, (2)

has been approved by the State Forester, and (3) is subject to his inspection; that the working plans be revised at least once in ten years, or the owners forfeit their privileges; that the owners bear the expenses of the preparation, inspection and revision of working plans under the same regulations that now govern applications to the State Forester for practical assistance; that the law be restricted in application to 100 acres or less held by any one owner, whether individual or corporate, and to 200 acres located in any city or town, in any one year; and that the law be restricted to lands valued at \$20 and under per acre, exclusive of the crop.

In Operation.

A law based on the above principles would be effective and simple in operation. Suppose an owner has 50 acres of land, 30 acres in woodland and 20 acres of abandoned fields, which he wishes to bring under the operation of the law. He has a working plan made for the tract. The working plan (see Appendix) shows that 20 cords of white pine and 15 cords of hard wood may be cut annually from the stand without over-cutting. The State Forester sends a statement of the average annual cut to the assessors, together with a map or plan showing the location and extent of the lands. The assessors would make up their valuation in the following manner:—

50 acres of land, without wood, at \$5,	\$250 00
20 cords of box boards, at \$5 on stump,	100 00
15 cords of hard wood, at \$1.50 on stump,	22 50
Total,	\$372 50

Under the old method the valuation would probably be two or three times as much.

The tendency of the law would be to encourage owners to put their lands under a conservative system of forest management. This would mean an increase in the amount of standing timber, and eventually an increase in the

amount of the annual cut. In this way a part of the amount taken out of the lists would be restored within a few years, and in time the full amount would be replaced. The benefit to our industries given by a home supply of timber would increase the amount of taxable property in other forms. The town and Commonwealth would be benefited in the end, although the application of the law would mean a temporary though not a large reduction of assessment.

The law would also have a decided educational tendency. It would awaken interest in the subject of forestry, and lead to a better management even on lands not affected directly by it.

The provision that the law be restricted in its application to lands worth not less than \$20 for other purposes would prevent a misapplication to lands that should be under farm crops, or should be used as building lots.

The restriction of the law to 100 acres belonging to any one owner would prevent any possibility of large owners and wealthy corporations getting an advantage over the small owners and farmers; and its restriction to 200 acres in a town or city in any one year would prevent any possibility of a burdensome or even an appreciable reduction in the town tax lists.

Respectfully submitted,

WOODWARD EMERY, *Chairman*.
JOHN BURSLEY.
JAMES S. RUSSELL.
WILLIAM D. T. TREFRY.
GEORGE S. LADD.
CHARLES H. SHAYLOR.
ALFRED AKERMAN, *Secretary*.

APPENDIX.

CONDENSED WORKING PLAN REPORT ON THE WOODLANDS OF JOHN DOE, ESQ., BY RICHARD ROE, FOREST ENGINEER, 1905.

Working Plan.

The following working plan is for 50 acres of woodland, situated in the town of Doeville, and owned by John Doe, Esq.

Object of the Owner.

It is the desire of the owner to manage his woodlands in such a way as to make them produce continuously the greatest amount of wood and timber, with the least possible expenditure. He is particularly anxious not to cut the standing timber at a greater rate than that at which it is growing.

Treatment.

For purposes of description and treatment, the tract has been divided into blocks, which are indicated on the accompanying map.

Block No. 1 is 5 acres in extent. It is covered with a stand of mature white pine ready to cut, which when surveyed was found to amount to 200 cords fit for box boards and cheap lumber. It is recommended that this lot be cut over after the next heavy seed year, and that the natural seeding be supplemented by planting if necessary.

Block No. 2 is 10 acres in extent. It is covered with a younger stand of white pine than that on Block No. 1. The stand as surveyed amounts to 250 cords. This stand should be thinned moderately, to improve and increase the growth.

Block No. 3 is 20 acres in extent. It is an old field, which is coming up to scattering bushes. It is recommended that it be planted to white pine and red oak in mixture.

Block No. 4 is 15 acres in extent. It is covered with a growth of chestnut, red oak, ash, maple and birch. The survey places the stand at 300 cords. This block should be thinned moderately, to improve the growth.

Annual Cut.

The owner may with perfect safety cut 20 cords of pine and 15 cords of hard wood a year. It is not necessary, nor is it desirable, that this exact amount be cut each year. The cut of several years may be taken in one, if the work can be done cheaper in that way, or the condition of the stand demands it; but over a series of five to ten years the average cut should not exceed the above amount.

Note.—Twenty cords of pine and 15 cords of hard wood would be turned in to the assessors as a basis for taxation under the proposed method, whether the owner cut that amount or not.

**END OF
TITLE**